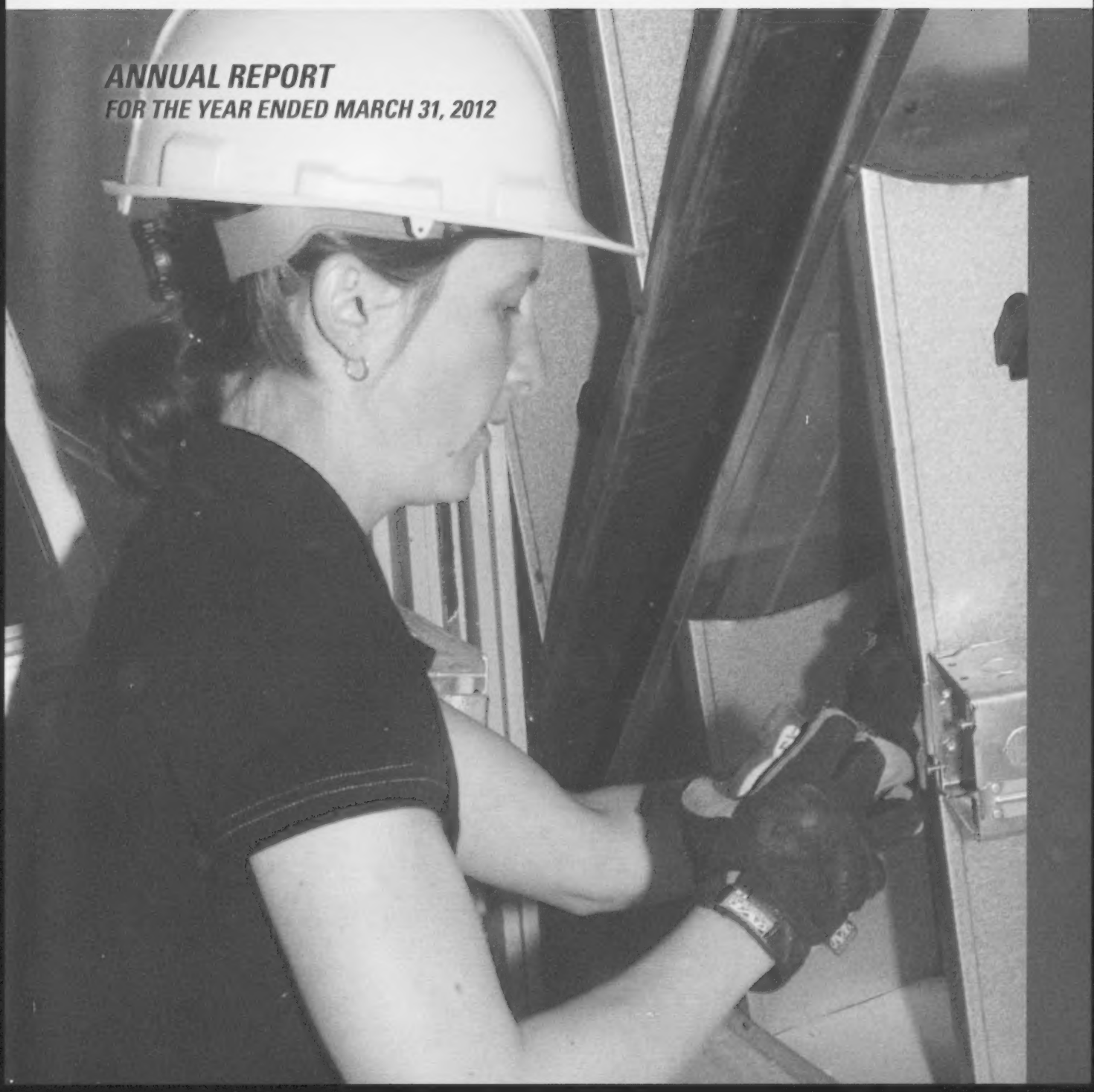
YUKON HOUSING CORPORATION

ANNUAL REPORT

FOR THE YEAR ENDED MARCH 31, 2012



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LETTER OF TRANSMITTAL

The Honourable Scott Kent
Minister responsible for
Yukon Housing Corporation
Government of Yukon

Dear Minister Kent:

It is with great pleasure that, on behalf of the Yukon Housing Corporation (YHC) Board of Directors, I submit the Annual Report of Yukon Housing Corporation for the year ended March 31, 2012. I would like to highlight some of the accomplishments of the past year by way of our core activities and provide you with an update on the Corporation's activities and direction in this new fiscal year.

First, let me start with an overview of important changes and initiatives implemented by the Board of Directors in early 2012 to assist with the overall oversight of the Corporation. The Board now meets on a monthly basis. This has enabled Board members to actively participate in the development and subsequent implementation of a new 5-year Strategic Plan for 2013 to 2018. This strategic planning process has developed fully over the summer with an expected completion in late 2012, early 2013.

At the end of the 2011-12 fiscal year, the Board engaged in discussions with you on the content of the annual Protocol Agreement for the upcoming year. With your agreement, the existing Protocol was extended to allow the negotiation of a new arrangement, the new Protocol was agreed upon and signed in early October, 2012 and is posted on the Corporation's web site.

During the course of the last nine months, the Board has conducted a review of the Corporation's activities, of its organizational structure and programming in preparation for the strategic planning exercise. This review showed that since 2006 the Corporation has been very active in developing and building new housing units for the benefit of hundreds of Yukoners.

The Corporation, with the financial support of the Yukon Government and with programs funded by the Federal Government increased the number of housing units by more than 18 percent between 2006 and 2011. As of March 2011, there were 775 social and staff units compared to 658 in 2006. This is even more significant if we compare this 18 percent increase in units to the increase in Yukon's population of 11.6 percent during the same period.

In 2011-2012, the Corporation continued to build new units, which now stand at 822 units, an increase of six percent over March 2011. Of these 822 units, 669 are social units and 153 are staff units. The pace of increase in the number of units at YHC clearly exceeds the increase in the number of housing units (private dwellings) in Yukon and in Whitehorse. According to the 2011 Census, the number of housing units increased by 6.3 percent for Yukon and by 11.8 percent for Whitehorse between 2006 and 2011. Applying the Census average of 2.5 persons per household, Yukon Housing Corporation is providing housing to more than 2,000 Yukoners or 6 percent of Yukon's population.

Yukon Housing Corporation core activities include capital development, social housing, staff housing, industry training and lending programs.

The Capital Development branch :

has the lead role within the Corporation regarding the construction and repair of housing units throughout the territory. In 2011-2012, four new multi-residential buildings were completed in Dawson City, Whitehorse, Watson Lake and Teslin. By the end of the fiscal year approximately 117 new social units were constructed and over 300 existing units upgraded during the 3 years of Economic Stimulus funding. The branch was also responsible for the construction of 2 new staff housing units in Pelly Crossing along with the purchase and set-up of modular units in both Pelly Crossing and Beaver Creek and the ongoing repair and maintenance of 822 staff and social housing units located in 14 communities.

The Housing Operations branch:

worked closely with tenants of the Korbo Apartments, the 207 Alexander Street residence and the senior 4-plex in Teslin to help tenants relocate to new buildings. This "hands-on" approach, especially with senior tenants, helped with their transition to new and quality built housing with minimal disruption. Housing Operations staff worked collaboratively with the Capital Development branch responsible for ensuring the completion of needed upgrades and repairs with minimum intrusion on affected tenants.

The Community & Industry Partnering branch:

specializes in training courses for the housing industry, communities and the public. Three courses were offered this past year for the housing industry including HRAI Ventilation, the City of Whitehorse Verification course and ecoenergy training. The branch also provided hands-on training to representatives of 2 First Nations. The Little Salmon Carmacks First Nation received instruction on how to revive decommissioned houses contaminated by mould and the Selkirk First Nation participated in a course on indoor air quality. In January 2011 students in both Whitehorse and Haines Junction attended the latest offering of the Self Help Course. Teleconferencing enabled full and simultaneous interaction of all attendees.

Claire Derome, Chair

The Honourable Scott Kent

YHC Lending programs:

are designed to assist Yukoners address their own housing needs. For Yukoners who want to become homeowners, YHC offers Mortgage Financing, Owner Build and Home Completion programs. For current homeowners, the Corporation offers Home Repair and Home Repair Enhancement programs designed to assist with the upgrade and repair of existing homes. The Corporation also has 2 programs, Rental Suite and Rental Rehabilitation, which provide financing for the construction or repair/upgrade of rental accommodation. Staff also provided counselling and budgeting assistance so that over time clients can access mortgage financing from banks. In 2011-2012, YHC invested 7.942 million dollars in its various mortgage lending programs.

In 2012-2013, the Corporation will conclude its strategic planning for 2013-2018. The Corporation plans to introduce modifications to some of its existing housing programs and to introduce new initiatives to better address the challenges and the opportunities offered by Yukon's growing economy. Helping Yukoners with housing options across the housing continuum is a major goal for the Corporation.

This is an opportune time to thank Ron MacMillan for his years of service as President of Yukon Housing Corporation and to welcome Pamela Hine as the new President of Yukon Housing Corporation. Ms. Hine is known for her volunteer work at the national level with Habitat for Humanity and brings an extensive background in housing including the challenge of creating the Nunavut Housing Corporation. I would also like to thank the staff of YHC for their hard work and dedication to better the life of their fellow citizens.

I would like to conclude my report by extending a very sincere and heartfelt thank you to Rudy Couture and Shelley Hassard for their years of service as members of the YHC Board of Directors. I would also like to extend my thanks to the members of the Board of Directors who have so generously offered their support when I joined the Board as the new Chair in February 2012. Finally, I would like to thank the Yukon Government for the continuous and growing support provided to the Corporation.

Sincerely

Claire Derome
Chair
YHC Board of Directors
November 7, 2012

VISION, MISSION AND VALUES

Our Vision

- The quality of life in Yukon is enhanced by the availability of choices for housing that meet the needs of Yukoners

Our Mission

We work to resolve existing and emerging housing needs of Yukoners through:

- Helping the marketplace work better
- Furthering the self-sufficiency of communities, industries and individuals; and
- Assisting people where needed

Our Values/Principles

As a Corporation, we believe in the following core values:

- consistent high quality service
- an environment of mutual respect
- cooperation through teamwork
- development and growth of our corporate team
- integrity and ethical behavior
- an environment that encourages innovation and continued improvement
- leadership within the housing industry
- commitment to economic development
- maximization of internal and external alignments and partnerships

Pamela Hine, President

PRESIDENT'S REPORT

During this past year, the staff of Yukon Housing Corporation provided programming and services to literally thousands of Yukoners. Through our staff and social housing portfolios, multi-faceted lending programs, industry and consumer education, the Corporation was able to assist Yukoners throughout the territory.

We have a significant role to play in the housing continuum and it begins with social housing for low and moderate income Yukoners. Over the past 3 years, we have been able to increase the size of our social housing portfolio from 577 to 669 units which is an increase of approximately 16%. The construction of seniors' housing in Watson Lake, Teslin, Whitehorse and Faro speaks well of the Corporation's response to the additional needs for this type of housing.

We have also focused on other specific needs ranging from 1-bedroom to 4-bedroom units which address housing needs of individuals and families of different sizes. As we conclude the construction and repair of social housing funded through Canada's Economic Action Plan we can see a housing portfolio that better addresses identified needs and will last for many years to come.

The Corporation also provides mortgages for eligible clients to purchase an existing home, have a home constructed or manage the construction of their home. We offer these different programming approaches because people have different needs and a "one size fits all" approach simply isn't in the best interest of Yukoners.

These are just a few examples of recent accomplishments. I encourage you to read further in this Annual Report so that you may see what these accomplishments look like over a 4 year timeframe. Whether it is the size of the social housing portfolio, the increase in the Corporation's assets and the decrease in liabilities; they reflect the hard work of a dedicated staff both in Whitehorse and in our community offices. I wish to thank them for their professionalism and accomplishments.

And finally, a special acknowledgement to the citizens who comprise the YHC Board of Directors and the 10 individual community housing boards. Your participation in the identification and resolution of housing needs is vital for a corporation such as YHC. So thank you for all of your efforts and accomplishments.

Sincerely

Pamela J Hine

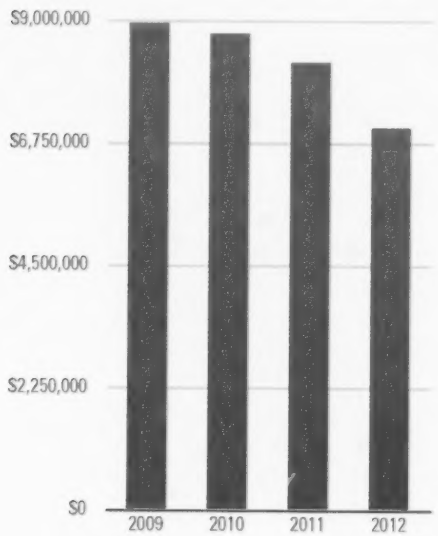
Pamela Hine
President

Accomplishments

This section illustrates a number of YHC accomplishments over the past 4 years. These are high level overviews of YHC programs and services. They also reflect on the performance of the Corporation to address the housing needs of Yukoners. Source documents include YHC Annual Reports from 2008-09 to 2011-12; YHC year-end Arrears Reports; and YHC year-end Staff and Social Vacancy Reports.

Home Repair Loans

Provides affordable low-interest loans so that homeowners can address needed repairs and upgrades such as electrical, plumbing, foundations, energy efficiency and the needs of a disabled occupant. Subsidies are potentially available based on family income, size and location. Each year new clients are placed on repayment and included the Corporation's loan portfolio. The following graph illustrates the value of home repair loans.



- *As of March 2012 a total of 480 loans, none were in arrears*
- *Value of the portfolio steadily declining*
- *Improves the overall performance of Yukon's housing stock*
- *Increased lending maximum ($50,000) to address the needs of a disabled occupant*
- *Energy efficiency upgrades reduce fuel consumption and greenhouse gas emissions*
- *Business opportunities for small trades, tradespersons and building suppliers*

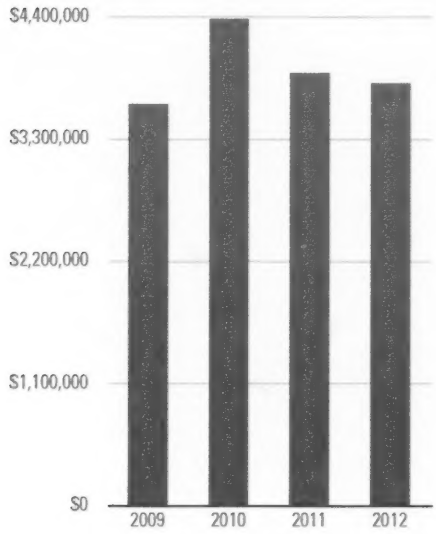
Home Ownership Loans

Provides eligible clients with mortgage financing for the purchase of an existing home or the construction of a new home. A smaller down payment, affordable interest rates and no mortgage insurance fees combine to make this an affordable housing option.

- *Supports entry level and modest home purchases which generates additional activity within the home ownership continuum*
- *In 2009 additional YHC mortgage funding provided to Whitehorse Copper clients negatively affected by survey and bank financing issues*
- *Value of portfolio relatively constant over past 4 years*
- *Common practice for clients to refinance with a bank once they have generated sufficient equity in their home*

Owner Build Program

Affordable construction and mortgage financing for those with construction skills or who want to project manage the construction of their new home. Personal involvement is also a means of reducing costs and increasing affordability. Clients typically utilize the full 24-month construction timeframe before going on repayment.

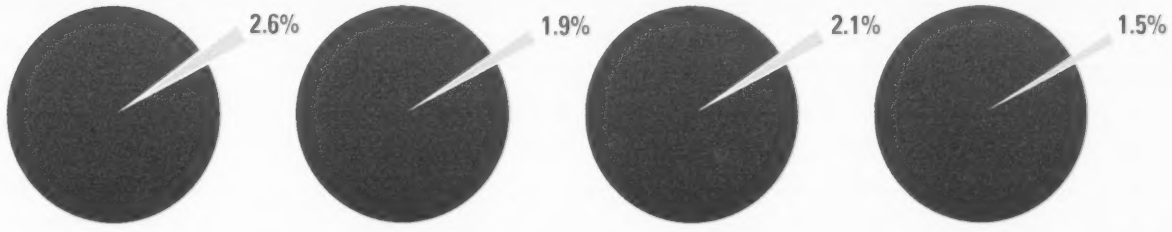


- *Addresses the lack of construction financing available in rural Yukon*
- *Value of portfolio relatively constant over past 4 years*
- *YHC's Self Help Course now available through teleconferencing*
- *As of March 2012 a total of 22 loans with an average value just under $200,000*

Arrears

Yukon Housing Corporation provides a multitude of housing services including lending programs. YHC also administers on behalf of the Yukon Government, individual land sales agreements with clients who have purchased land.

Clients who fail to make their loan or land sales agreement payments in accordance with the agreed upon terms of financing are identified in a monthly loan client arrears report prepared by YHC's Finance Branch. YHC staff is responsible for assisting individual clients to maintain good standing with respect to their financial obligations. Staff members are directed to exhaust all reasonable avenues to help clients address their arrears.



- *2.6% in arrears*
- *30 loans in arrears at year-end*
- *1156 total number of loans at year-end*
- *6 impaired loans at year-end; value of $309,246*
- *$52,888,035 total loans receivable at year-end*

- *1.9% in arrears*
- *19 loans in arrears at year-end*
- *1009 total number of loans at year-end*
- *3 impaired loans at year-end; value of $240,829*
- *$44,070,150 total loans receivable at year-end*

- *2.1% in arrears*
- *21 loans in arrears at year-end*
- *1021 total number of loans at year-end*
- *3 impaired loans at year-end; value of $100,001*
- *$47,988,795 total loans receivable at year-end*

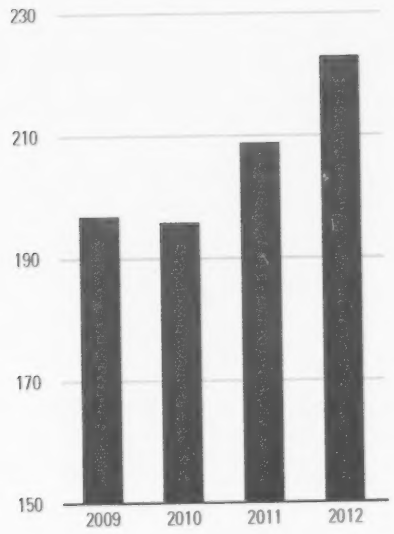
- *1.5% in arrears*
- *13 loans in arrears at year-end*
- *862 total number of loans at year-end*
- *3 impaired loans at year-end; value of $98,008*
- *$42,624,639 total loans receivable at year-end*

Social Housing

The corporation provides low and moderate income Yukoners access to affordable rental accommodation in 10 communities. As of March 2012, the social housing portfolio was comprised of 669 rental units ranging from single-detached houses to large multi-residential buildings.

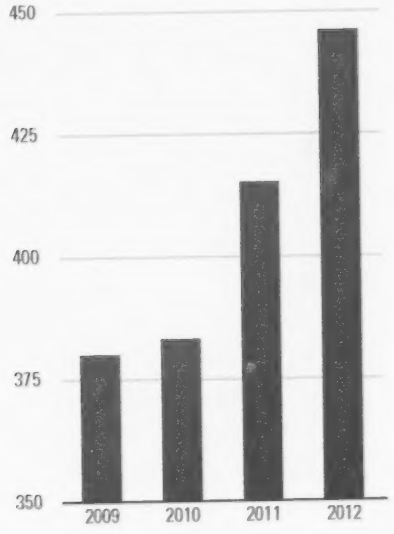
In May 2009, the Corporation entered into an agreement with CMHC to access just over $50 million in funding for the construction and repair of social housing in the Yukon under Canada's Economic Action Plan. For the past four fiscal years, the staff of the Capital Development branch was focused on maximizing federal funding for the benefit of Yukoners. The following tables illustrate the growth of YHC's social housing portfolio over this time period taking into account older buildings that were decommissioned.

Rural Yukon



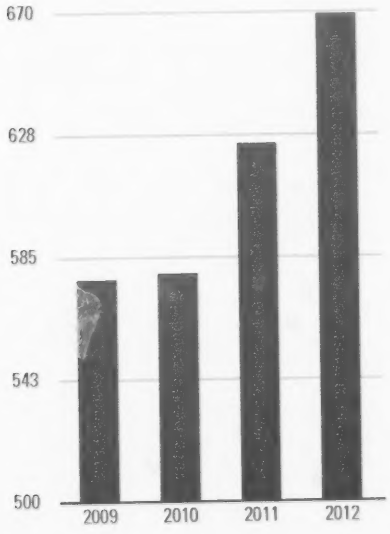
- *6-unit seniors building in Faro*
- *8-unit seniors building in Teslin*
- *12-unit seniors building in Watson Lake*
- *19-unit apartment building in Dawson City replacing the Korbo Apartments*

Whitehorse



- *6 units for large families in the Ingram subdivision*
- *30-unit seniors building at Waterfront Place replacing #207 Alexander Street Apartments*
- *32-unit affordable family housing in Riverdale*

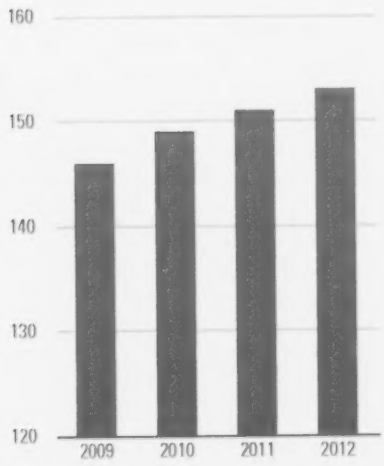
Yukon



- *New units address individual housing needs from single units to 4-bedroom units*
- *Over 300 existing units repaired/upgraded*
- *Pilot project to assist single parent families at the affordable housing project in Whitehorse*
- *Funded the construction of a new children's receiving home in Whitehorse*

Staff Housing

The Staff Housing program is designed to provide affordable housing to government employees in rural Yukon. Because of the different housing needs of employees it is sometimes problematic providing suitable housing because the size of the family may exceed the number of bedrooms in an available unit.



- *Additional or replacement units in Dawson City, Watson Lake, Pelly Crossing and Beaver Creek*
- *Ongoing capital upgrades and maintenance to units*

Overview of YHC's Financial Statements

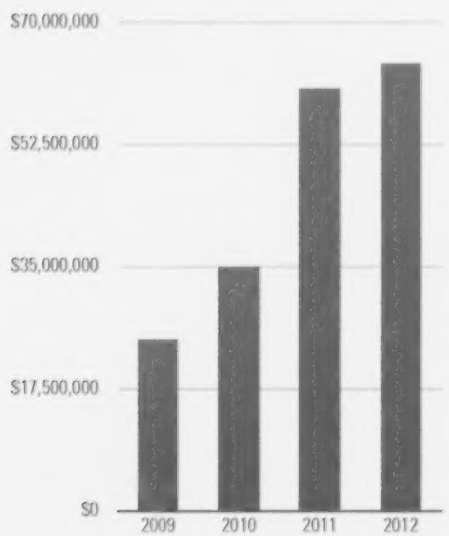
Each year the Auditor General of Canada undertakes an audit of Yukon Housing Corporation and this audit forms part of YHC's Annual Report. What is of value and importance to the Legislative Assembly and the public at large is confidence that the financial statements fairly represent the financial status of Yukon Housing Corporation.

This is critical because the annual audited financial statements of YHC are effectively "rolled up" into the annual Consolidated Financial Statements of the Yukon Government. The financial position of YHC affects the financial position the Yukon Government.

There are a number of areas that the Corporation would like to highlight so that the reader has a further understanding of YHC's financial position including assets, long term debt and the Seniors Housing Management Fund. The presentation of information from YHC's audited financial statements is over a four year period starting in 2008-09 and ending in 2011-12.

Tangible Capital Assets (Book Value)

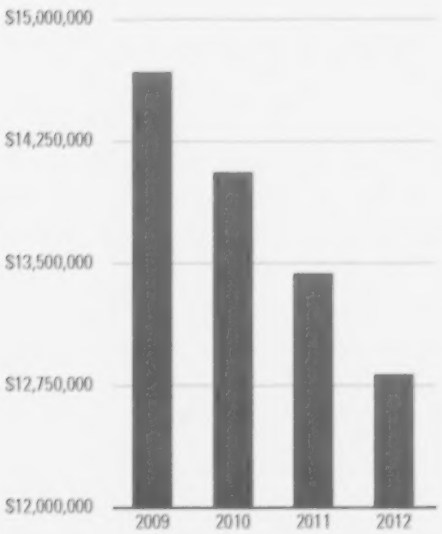
The tangible capital assets of YHC that are purchased, constructed, developed or otherwise acquired. Typical examples include land, social and staff housing and office buildings. Tangible assets are used to achieve government objectives. The value of YHC's tangible assets has increased significantly due to the construction and upgrade of social housing through Canada's Economic Action Plan.



- *Almost a $30 million increase over the past 3 fiscal years*
- *Reflects new buildings in Whitehorse and in rural Yukon*
- *Also reflects exterior upgrades to existing buildings*
- *The "Book Value" of the asset reflects YHC's costs minus the cumulative amortization which is the write-off of the asset over its estimated useful life*

Loans Payable to Yukon Government

During the 2000-01 and 2001-02 fiscal years Management Board provided authorities for YHC to significantly increase its ability to provide loans for home ownership and home repair. Rather than YHC using its Line of Credit and generating new O&M expenses, the Government of Yukon transferred cash into YHC's bank account on the condition that is repaid over time. As of March 2002, loans payable to the Yukon Government totalled $22.6 million.



- *Average yearly payment is $618,000*
- *YHC has reduced its loans payable to the Government of Yukon by $1.855 million over the past 3 years*

Mortgages Payable

The Corporation has many existing mortgages with banks and the Canada Mortgage and Housing Corporation (CMHC) associated with older buildings in YHC's housing portfolio. These mortgages have a variety of terms with maturities up to 2029. All of the new buildings built since 2009 do not have mortgages since these projects were "paid in full" at the time of construction.

- *Reduced by almost $4 million over the past 3 fiscal years*
- *Mortgages that YHC has with banks and Canada Mortgage and Housing Corporation (CMHC)*
- *Examples of projects include Morgan Court, Closeleigh Manor and Cyr Place*

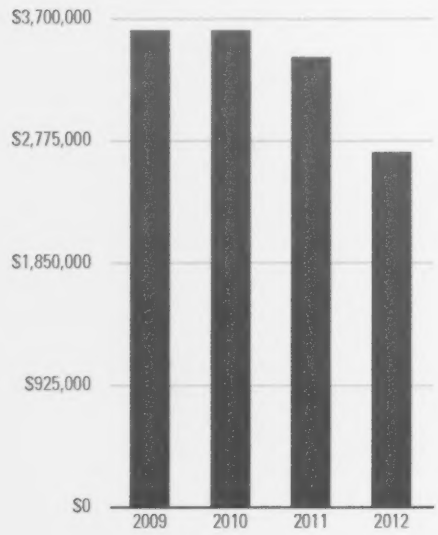
CMHC Loans

Similar to mortgages payable, YHC entered into long term loans with CMHC to finance the cost of constructing social housing. The important distinction is that these loans have fixed rates of interest to maturity, as high as 13.25%. There are no renewal dates and no fundamental reasons why CMHC would agree to refinancing, nor are there any prepayment provisions.

- *Reduced by $839,000 over the past 3 years*
- *Examples of projects include multiple duplexes in Mayo and Watson Lake and row housing in Whitehorse*

Seniors Housing Management Fund

The Seniors' Housing Management Fund (SHMF) was established under Section 9 of the *Housing Corporation Act* to provide for the future housing needs of Yukon's seniors. The Government of Yukon approved the establishment of the Fund in October 2000. Until 2010, the Fund received Government of Yukon funding through an annual appropriation, an appropriation equal to interest revenue generated by the Corporation's Green Mortgage Program and interest revenue earned on monies held for the Fund. In May 2009, the Government of Yukon directed the Corporation to use the SHMF to make up any shortfall between the economic stimulus funding from Canada and the actual costs for projects benefiting seniors. Where no shortfall exists, SHMF funds are not required to be used and may be used for other projects benefiting seniors, subject to Management Board approval of those projects.



- *In 2011, $205,000 was spent on the Abbeyfield project in Whitehorse*
- *In 2012, $721,000 was spent including $360,000 for the new seniors building in Watson Lake, $300,000 for the new seniors building (Waterfront Place) in Whitehorse and $61,000 for the Abbeyfield project*

BOARDS — 2011-2012

Carcross
- Linda Henry
- Eileen Wally
- Edna Helm
- Sheila Branigan
- Linda Pringle

Carmacks
- Rebecca Freeman
- Lorraine Kontogonis
- Dawn Marino
- William Tonnerson
- Elizabeth Skookum

Dawson City
- Jennifer Flynn
- Tammy Rudniski
- Sandra Hussey
- Maureen Caley-Verdonk
- Mark Weirda
- Lambert Curzon

Faro
- Brad Beaumont
- Brian Bekk
- Julia Salo

Haines Junction
- Rita Jux
- Marguerite Richard
- Pamela Butterfield
- Inez Hartmann
- Jennifer McPhie
- Sharon Holloway

Mayo
- Tina Giarard
- Ed Johnson
- Margrit Wozniak
- Darlene Hutton
- Gary Jones

Ross River
- Yvonne Shorty
- May Bolton
- Rose Peter
- Maryann Etzel
- David Windsor

Teslin
- Kristyne Geddes
- Kenneth Bailey
- Shelley Hassard
- Sharon Chatterton
- Bonar Cooley

Watson Lake
- Yvonne Bridcut
- Colleen Craft
- Stella Hearty
- Hazel Ireland
- Ruth Wilkinson

Whitehorse
- Pamela Bangart
- Janet Leblanc
- David Laxton
- Florence Roberts
- Lois Fraser
- Brian Butt

YHC
- Mick Fisher
- Rudy Couture
- Lucy Skuba
- Reg Steers
- Shelley Hassard
- Ron McFadyen
- Wayne Huffman
- Claire Derome
- Joanne Fairlie

PERFORMANCE AUDIT

The Office of the Auditor General of Canada (OAG) carries out audits of Federal departments and agencies, Crown Corporations, and the Governments of Nunavut, Northwest Territories, and Yukon. It then relays the information and relevant advice to Parliament or to the applicable Legislative Assembly. The OAG has a long-range plan to conduct performance audits of the Government of Yukon's departments and agencies.

In February 2010, the OAG presented the findings of its performance audit of Yukon Housing Corporation (YHC) to the Public Accounts Committee of the Yukon Legislative Assembly (PAC).

Witnesses from YHC appeared before PAC to provide additional information on the operations of the Corporation.

The audit examined whether YHC had adequately managed its Social Housing, Staff Housing, and lending Programs. The report confirmed adequate management of the programs, and presented recommendations for improvement.

YHC agreed with the recommendations and is addressing them.

Update on implementing the recommendations:

- With respect to the development of integrated housing strategies research has been undertaken into the condition of rural housing as compared to housing in Whitehorse.
- The second phase of the new Applicant and Tenant Online Management System database is fully implemented. The final phase of the construction of the database is scheduled for the 2012-13 fiscal year.
- Work has commenced regarding an update of the Appeal Bylaw after review and consideration, by the YHC Board of Directors, of the analysis contained in the recent Social Housing Program evaluation.
- The recommendations pertaining to housing management plans, the Staff Accommodation Policy and the Government Employee Housing Plan Act are being worked on concurrently. YHC has researched vacancy rates, waiting lists, work force size and projections in rural Yukon including retirement projections. YHC chairs an inter-departmental committee that is finalizing recommendations for strategic ranking of rural positions regarding eligibility and priority for staff housing. Options are being developed for improving management of the housing stock and for helping staff to access alternatives to staff housing.

CORPORATE PROFILE

Yukon Housing Corporation was established in 1972 under the *Housing Corporation Act.*

The role of the Corporation is to:

- ***Help Yukon residents obtain appropriate accommodation;***
- ***Work with the housing industry in developing effective solutions to the housing needs of Yukoners;***
- ***Foster community participation in the design, development and delivery of housing programs; and***
- ***Administer the Government of Yukon staff housing and employee buy-back programs.***

The Corporation is accountable to the citizens of Yukon through its Board of Directors. The Board is comprised of a chair, a deputy-chair and directors appointed by the Executive Council of Yukon Government. The board is in turn responsible to the Legislature through the Minister Responsible for Yukon Housing Corporation.

The Board of Directors has two sub-committees. The Finance and Risk Management (FARM) Committee meets approximately six times per year to review financial and risk management issues affecting the Corporation. The Appeals Committee meets as required to hear appeals from clients.

The president of Yukon Housing Corporation also serves as president of Yukon Liquor Corporation and Yukon Lotteries. The three organizations share corporate services in the areas of Human Resources, Finance, Systems and Administration, and Policy and Communications.

Yukon Housing Corporation's organizational structure includes the following branches: Executive, Housing Operations, Program Delivery, Capital Development, and Community and Industry Partnering.

PROGRAMS AND SERVICES

HOME REPAIR

Home Repair Program

Addresses specific health and safety issues as well as deficiencies with foundations, plumbing, heating, electrical and mechanical systems, overcrowding due to family size, and specialty features that promote independent living for occupants. The program also assists homeowners improve the energy efficiency of their home.

Housing units must be at least five years old and in need of repair. Funding qualifiers are based on conventional loan underwriting practices. Subsidies may be available to applicants with affordability limitations. The housing unit must be on titled land or other secure land tenure, and owner-occupied. The house must not be beyond economical repair.

Home Repair Enhancement

Offers loan financing when a home requires repairs beyond the financial limits of the Home Repair Program. Funding qualifiers are based on conventional loan underwriting practices. Housing units must be at least five years old, on titled land and be owner occupied.

Mobile Home Repair and Upgrade Program

Assists Yukon owners of mobile homes located on rental pads to repair their residence. Applicants must own and occupy their mobile home. Only mobile homes located on rented properties are eligible for repairs. Applicants must be able to meet their loan obligation as determined using conventional loan underwriting practices. Subsidies may be available to applicants with affordability limitations.

All construction activities must meet applicable building codes and regulations. Maximum loan amount is based on an acceptable loan to value ratio of the repaired dwelling. The maximum amortization period for the loan is 12 years.

Mobile Home Emergency Repair Program

Assists Yukon mobile home owners to perform emergency repairs for the safe occupancy of their homes. Only immediate health and safety repair items are eligible for funding. Applicants must own and occupy their mobile homes. It is available for mobile homes located on rented properties which fail to meet the requirements of the Mobile Home Repair and Upgrade Program. Subsidized loan payments are available to applicants with affordability limitations.

Residential Energy Management Program

Assists homeowners with electrical space heating, who consume in excess of 1000 kWh per month for at least six months of the year. Applicants must have a reasonable credit history. Applicants must demonstrate that the conversion of space heating to another fuel type will yield a payback in seven years or less.

The program is also available to homeowners who undertake energy improvements to their homes where those improvements yield an appropriate payback.

HOME OWNERSHIP

Mortgage Financing

Assists eligible Yukon residents to become homeowners by offering mortgages. Applicants must be credit worthy, as determined through conventional loan underwriting practices. Applicants must be ready for home ownership.

Applicants must provide a minimum of 2.5% down payment. Loans have up to a 30-year amortization period, with five-year terms. Interest rates are based on current market rates minus 1%. Mortgage security is provided by Yukon Housing Corporation holding the first charge registered against the title. Housing must be modest and meet Yukon Housing Corporation's health and safety standard.

Home Completion Program

Assists eligible homeowners in rural Yukon with financing to complete the construction of their home. Applicants must demonstrate they are unable to obtain private sector financing. Applicants must be able to meet their mortgage obligations. Housing must meet applicable codes and regulations.

Qualification for the loan is based on conventional mortgage underwriting practices. Loans have a 30-year amortization period, with five-year terms; interest rates are based on current market rates. Mortgage security is provided by Yukon Housing Corporation holding a charge registered against the title.

Owner Build Program

Provides education, technical assistance and mortgage lending to eligible Yukon residents to build or manage the construction of their own homes. Applicants must be able to meet their interim loan obligations and demonstrate their ability to qualify for a mortgage, upon completion of home construction. Applicants must demonstrate that they have the ability to build or manage the construction themselves.

Applicants must provide 2.5% down payment. Financial qualification for the loan is based on conventional mortgage underwriting practices. All construction activities must meet applicable building codes and regulations. The loan to value ratio must not exceed 97.5% of construction costs, based on actual costs. The maximum time for construction financing is two years, with tiered interest rates for the construction period. Loans have a maximum 30-year amortization period, with five-year terms; interest rates are based on current market rates. Mortgage security is provided by Yukon Housing Corporation holding first charge registered on title.

Mobile Home Ownership

Assists eligible owners of mobile homes to relocate their mobile home from a rental pad onto titled property. Applicants must be able to meet their loan obligations as determined through conventional loan underwriting practices. Housing must meet, or be improved to meet, Yukon Housing Corporation's health and safety standards.

Applicants must provide at least 2.5% down payment. Loans have up to a 30-year amortization period, with five-year terms; interest rates are based on current market rates less 1%. Mortgage security is provided by Yukon Housing Corporation holding the first charge registered against the title. Mortgage financing includes the purchase cost of titled property, purchase, or payout of existing financing, of the mobile home, relocation and set up costs and the portion of the client's home repair loan that exceeds $35,000.

Mobile Home Equity Exchange

Assists owners of mobile homes that are condemned or beyond repair. Applicants must forfeit the equity in their mobile home in exchange for the requirement to have a down payment towards the purchase of a home on titled property. Applicants must be able to service the mortgage payments. Applicants must own and occupy their mobile home. Only mobile homes located on rented properties are eligible. The forfeited mobile home is removed from the market.

Qualification for the mortgage is based on conventional mortgage underwriting practices. No down payment is required. Loans are based on a maximum 30-year amortization with a 5-year interest rate term based on current market interest rates less 1%. Mortgage security is based on a first charge registered against title.

Mobile Home Purchase Assistance

Assists clients approved for the Equity Exchange Program but who do not have enough household income to afford a modest entry level home. Clients agree to a second mortgage for the balance owing above their mortgage pre-approval in exchange for an equity position held by Yukon Housing Corporation.

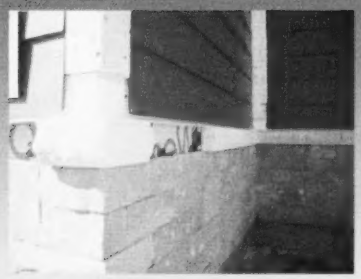
Mortgage security is based on a first charge registered against title. Interest rate on the first mortgage is based on a 5-year interest rate term based on current market interest rates. No interest is charged on the equity loan portion. The equity split will be established based on a formula that considers the client's ability to repay (the maximum mortgage the client can afford) and a maximum payback period of 40 years. The equity position of Yukon Housing Corporation is transferred to the client as they pay down the mortgage, or as their ability to service the mortgage loan increases.

COMMUNITY & INDUSTRY PARTNERING

Joint Ventures under Affordable Housing

The Affordable Housing Initiative (AHI) is a Government of Canada program that can provide a cost-matching grant up to $75,000 per unit for construction of affordable rental accommodation. This program includes a 10-year affordability component.

The Corporation has decided to target non-governmental organizations to determine if they have housing projects which qualify under this initiative. The Corporation will review submissions to determine the feasibility of the housing project including long-term operations.



Rental Rehabilitation Program

Assists owners of rental accommodations to upgrade their rental unit(s) through low interest loans. Specifically, the program is intended for improvements related to health and safety, energy efficiency and accessibility for disabled or elderly people. General upgrades are also eligible.

This program is available throughout Yukon to owners of residential rental properties, including sole proprietors and commercial entities such as corporations, partnerships and syndicates. An applicant's eligibility is based on three factors: ownership of the rental unit(s), financial ability to meet the loan obligation and reasonable credit-worthiness.

Loans are based on a 15-year amortization period with five-year renewal terms. The program interest rate depends upon the nature of the improvements.

Rental Suite Program

Assists homeowners to build a rental suite where market conditions warrant or to upgrade an existing suite to standard.

Applicants must own and occupy the property on which they plan to develop an income-generating suite or bring an existing suite up to code. Applicants must be able to meet their mortgage obligations as determined through conventional loan underwriting practices. Funding for the development of a new suite is only available if there is a demand for rental units on the market.

Loans have a ten-year amortization period with a ten-year interest rate term; the interest rate is 2% below the current five-year mortgage rate. A mortgage is secured by a registered charge against the title. Clients must substantiate occupancy as a prerequisite for funding if the vacancy rate exceeds 4%.

RENTAL ACCOMMODATION

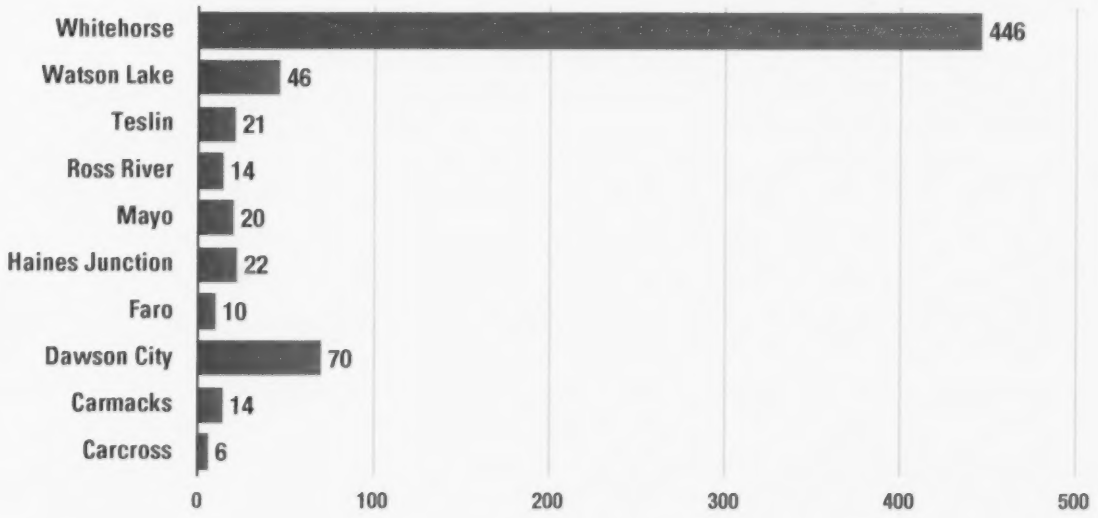
Social Housing

In 1998, Canada Mortgage and Housing Corporation transferred the responsibility for the day-to-day management of social housing to Yukon Housing Corporation. YHC administers and maintains 669 social housing units in 10 Yukon communities. Approximately one in four units are occupied by seniors.

Monthly rent is assessed based on a formula of 25% of a client's gross monthly household income.

The Rent Supplement Program provides more social housing. The Corporation enters into a lease agreement with a private sector landlord. The client pays rent based on the existing 25% of gross monthly income formula and the Corporation pays the difference between this amount and the monthly rent charged by the landlord.

YHC also operates one seniors Heritage Housing facility, located in Haines Junction. This type of housing is available to all seniors, regardless of income level. Preference is given to seniors with medical conditions, victims of violence/abuse, those who require critical medical rural relocation, mobility challenged households, and senior households with chronic medical issues.

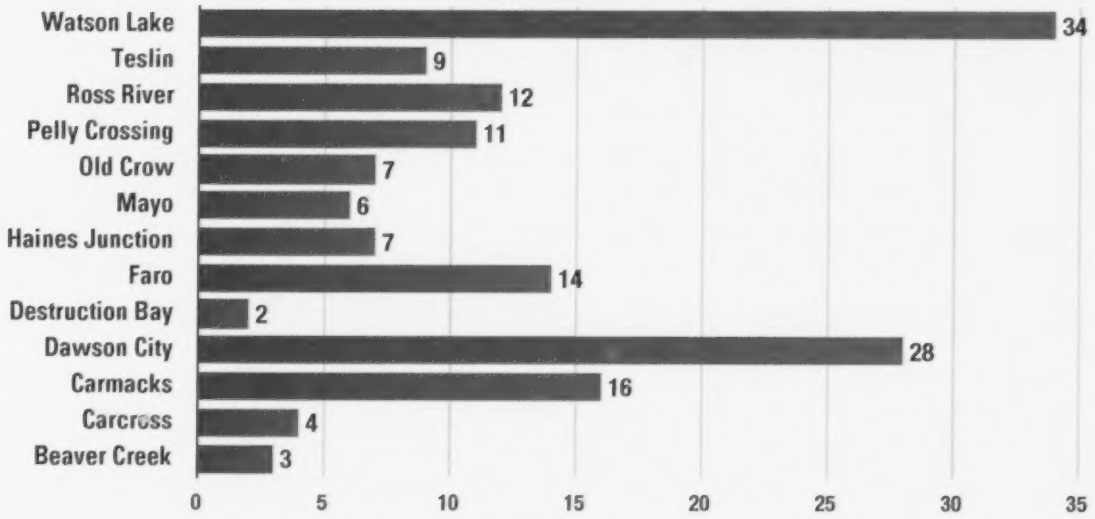


Staff Housing

Rental accommodations are provided to Government of Yukon employees to help ensure the recruitment and retention of qualified employees to deliver government programs and services in rural Yukon. Whitehorse has a developed housing market; therefore, staff housing is not available.

Tenants pay a maximum rent of $600 per month and a one-time fuel deposit of $500. Tenants are also responsible for heat and electricity expenses. YHC is responsible for ongoing maintenance, capital repairs and improvements. Local YHC Housing Managers address tenant issues and co-ordinate maintenance and repairs.

Staff housing units are now built to YHC's energy standards and where feasible, to YHC's Accommodating Home Standards.



Yukon Housing Corporation
Management's Responsibility for Financial Reporting

The financial statements contained in this annual report have been prepared by management in accordance with Canadian public sector accounting standards. The integrity and objectivity of the data in these financial statements are management's responsibility.

In support of its responsibility, management has developed and maintains books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of financial information; that assets are safeguarded and controlled; and that transactions are in accordance with the *Financial Administration Act* as well as the *Housing Corporation Act* and the by-laws of the Corporation.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibility through the Financial and Risk Management Committee, which meets on a periodic basis with management and the independent external auditor to review the manner in which these groups are performing their responsibilities, and to discuss auditing, internal controls, and other relevant financial matters. The Financial and Risk Management Committee reviews the audited financial statements with the external auditor before making recommendations to the Board of Directors for their approval.

The Corporation's external auditor, the Auditor General of Canada, is responsible for auditing the financial statements and issuing his report thereon which is included with the audited financial statements. The Auditor General of Canada provides his report to the Minister responsible for the Yukon Housing Corporation.

Pamela J. Hine
President

F. Mark Davey, CA
Director, Finance, Systems and Administration

September 20, 2012

Auditor General of Canada
Vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Yukon Housing Corporation

Report on the Financial Statements

I have audited the accompanying financial statements of Yukon Housing Corporation, which comprise the statement of financial position as at 31 March 2012, and the statement of operations and accumulated surplus, statement of change in net debt and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Yukon Housing Corporation as at 31 March 2012, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

As required by the *Housing Corporation Act*, I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by Yukon Housing Corporation and the financial statements are in agreement therewith. In addition, the transactions of Yukon Housing Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* and regulations, the *Housing Corporation Act* and regulations and the by-laws of Yukon Housing Corporation.

Guy LeGras, CA
Principal
for the Auditor General of Canada

20 September 2012
Vancouver, Canada

Yukon Housing Corporation
Statement of Financial Position
as at March 31, 2012

	2012	2011
	(thousands of dollars)	
Financial assets		
Cash (Note 3)	$ 4,435	$ 21,936
Due from Canada Mortgage and Housing Corporation	285	309
Accounts receivable (Note 4)	917	1,417
Property held for sale	-	1
Loans receivable (Note 5 and Note 16)	42,625	47,988
	48,262	71,651
Liabilities		
Accounts payable and accrued liabilities	2,919	2,285
Environmental liability (Note 6)	1,031	1,300
Due to Government of Yukon (Note 17 (c))	817	15,989
Deferred revenues - other	1,592	1,055
Deferred revenues - economic stimulus funding (Note 7)	873	6,506
Deferred revenues - Seniors' Housing Management Fund (Note 8)	2,683	3,404
Long-term debt (Note 9 and Note 16)	34,155	38,996
Post-employment benefits (Note 10)	1,759	1,526
Advances - Government of Yukon (Note 12)	12,657	11,684
	58,486	82,745
Net debt	**(10,224)**	**(11,094)**
Non-financial assets		
Tangible capital assets (Note 13)	64,066	60,435
Less deferred capital contributions (Note 14)	(53,942)	(49,409)
Prepaid expenses	100	68
	10,224	11,094
Accumulated surplus	$ -	$ -

Contractual obligations and contingencies (Note 18)

Approved by the Board of Directors

Director

Director

The accompanying notes and schedules are an integral part of these financial statements.

Yukon Housing Corporation

Yukon Housing Corporation
Statement of Operations and Accumulated Surplus
for the year ended March 31, 2012

	2012		2011
	Main Estimates (Note 1(c))	Actual	Actual
	(thousands of dollars)		
Revenues			
Rental income	$ 4,000	$ 4,929	$ 4,629
Funding from Canada Mortgage and Housing Corporation			
- Social Housing Agreement	4,435	4,420	4,415
- Affordable Housing Initiative (AHI) - home repair loans		146	146
- AHI - economic stimulus funding (Note 7)	-	1,091	2,650
Interest income	1,941	1,713	1,845
Amortization of deferred Canada Mortgage and Housing Corporation capital contributions	1,159	1,233	472
Recovery of corporate services costs (Note 17 (a))	1,119	975	914
Recovery from Federal Co-op Stabilization Fund	-	345	-
Recovery for Flood Relief program	222	-	-
Gain on sale of tangible capital assets	-	101	-
Other	20	97	68
Recovery of concessionary loans grant expense	-	88	-
Recovery of subsidy expense	-	77	-
Recovery from Government of Yukon, Department of Health and Social Services	-	-	278
Recovery of eligible costs from Seniors' Housing Management Fund (Note 8)	-	61	205
	12,896	15,276	15,622
Expenses (Note 15)			
Program costs (Schedule A)	13,540	14,779	15,493
Corporate services costs (Schedule A)	2,690	3,057	2,874
Environmental expenses	-	-	1,465
Administration (Schedule A)	1,379	1,587	1,429
Interest on long-term debt	1,280	788	1,162
Construction costs for Children's Receiving Home	-	-	278
Grants to flood victims	277	44	153
	19,166	20,255	22,854
Deficit for the year before government funding	**$ (6,270)**	**(4,979)**	**(7,232)**
Government of Yukon funding			
Operating grant (Note 12)		3,378	5,774
Amortization of deferred capital contributions		1,099	956
Rental assistance - in-kind (Note 17 (b))		502	502
		4,979	7,232
Surplus for the year		-	-
Accumulated surplus at beginning of year		-	-
Accumulated surplus at end of year		$ -	$ -

The accompanying notes and schedules are an integral part of these financial statements.

Yukon Housing Corporation
Statement of Change in Net Debt
for the year ended March 31, 2012

	2012		2011
	Main Estimates (Note 1(c))	Actual	Actual
	(thousands of dollars)		
Surplus for the year	$ -	$ -	$ -
Effect of change in tangible capital assets			
Acquisitions	(8,147)	(6,232)	(27,151)
Personnel costs allocated to asset construction	-	(633)	(860)
Capital contributions received and deferred (Note 14)	8,147	6,865	28,011
Amortization of tangible capital assets	3,225	2,998	2,392
Amortization of deferred capital contributions (Note 14)	(1,159)	(2,107)	(1,410)
Write-down of tangible capital assets	-	225	24
Disposal of tangible capital assets (net book value)	-	11	-
Reduction due to impairment and/or disposal of tangible capital assets (Note 14)	-	(225)	(18)
	2,066	902	988
Effect of change in other non-financial assets			
(Increase) decrease in prepaid expenses	-	(32)	11
	-	(32)	11
Decrease in net debt	$ 2,066	870	999
Net debt at beginning of year		(11,094)	(12,093)
Net debt at end of year		$ (10,224)	$ (11,094)

The accompanying notes and schedules are an integral part of these financial statements.

Yukon Housing Corporation
Statement of Cash Flow
for the year ended March 31, 2012

	2012	2011
	(thousands of dollars)	
Operating transactions		
Surplus for the year	$ -	$ -
Adjustments for non-cash items		
Operating grant	(3,378)	(5,774)
Amortization of tangible capital assets	2,998	2,392
Government of Yukon funding to purchase tangible capital assets (Note 14)	(1,363)	(964)
Loan donated by Federal Co-op Stabilization Fund	(305)	-
Write-down of tangible capital assets	225	24
Mortgages receivable allowances	(168)	253
Gain on sale of tangible capital assets	(101)	-
Contribution of property held for sale	-	165
Gain on disposal of housing held for sale	-	(2)
	(2,092)	(3,906)
Changes in accruals of operating cash receipts or payments	(15,365)	37,422
Cash provided by (used for) operating transactions	(17,457)	33,516
Capital transactions		
Acquisition of tangible capital assets	(6,865)	(28,011)
Proceeds on sale of tangible capital assets	112	-
Cash used for capital transactions	(6,753)	(28,011)
Investing transactions		
Proceeds on sale of property held for sale	-	194
Additions to mortgages receivable	(7,942)	(7,639)
Repayments of mortgages and agreements receivable	11,129	8,639
Net cash provided by (used for) land sales agreements	132	(991)
Cash provided by investing transactions	3,319	203
Financing transactions		
Net repayments of long-term debt	(2,324)	(2,175)
Advances from the Government of Yukon (Note 12)	5,714	7,297
Cash provided by financing transactions	3,390	5,122
(Decrease) increase in cash	**(17,501)**	**10,830**
Cash at beginning of year	21,936	11,106
Cash at end of year (Note 3)	**$ 4,435**	**$ 21,936**
Supplemental disclosure of cash flow information		
Interest paid	$ 804	$ 1,211
Interest received	1,621	1,749

The accompanying notes and schedules are an integral part of these financial statements.

1. Authority and operations

(a) Authority

Yukon Housing Corporation (the Corporation) was established in 1972 by the *Housing Corporation Act* of the Yukon to undertake, carry to completion, or assist in the provision, development, maintenance and management of housing. Disbursements for operations and loans are authorized by the Yukon Legislative Assembly through the *Appropriation Acts*. The Corporation is subject to the *Financial Administration Act* of the Yukon.

(b) Mission

The mission of the Corporation is to improve the quality of housing in the Yukon and help Yukoners resolve their housing needs.

In carrying out its mission, the Corporation provides rental housing at below market rents to applicants who qualify for social housing. Rental income received from housing tenants is less than the associated costs of supplying these rental units. The Corporation also provides loans for the purpose of housing. The Corporation is dependent on the Government of Yukon for funding its operations.

Pursuant to Order-in-Council 1982/343, the Whitehorse Housing Authority (the Authority) was created and designated as an agent of the Corporation. The Authority operates, manages and administers social housing units in the City of Whitehorse on behalf of the Corporation. All costs of the Authority are borne by the Corporation which is also responsible for the capital and maintenance costs of social housing units operated by the Authority.

Pursuant to Section 45(1) of the *Housing Corporation Act*, the Commissioner in Executive Council has established Housing Advisory Boards in the communities of Carcross, Carmacks, Dawson City, Faro, Haines Junction, Mayo, Ross River, Teslin and Watson Lake. Local Housing Advisory Boards are established for the purpose of involving local community members in the decision making process regarding housing in their community. They provide advisory, regulatory and adjudicative services to the Corporation.

(c) Main estimates

The Main Estimates comparative figures are from the Main Estimates approved in the Legislative Assembly in 2011. These figures do not reflect changes arising from the Supplementary Estimates approved later in the year by the Legislative Assembly.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards. Significant accounting policies are as follows:

(a) Reporting entity

The Corporation's financial results include the transactions of the Whitehorse Housing Authority and Housing Advisory Boards.

(b) Funding and advances from the Government of Yukon

The *Housing Corporation Act* authorizes the Government of Yukon to make advances and pay the Corporation an operating grant equal to the deficit for the year before government funding less the amortization of deferred capital contributions and in-kind rental assistance. Capital transfers received are for the purpose of acquiring assets to be used to provide housing services for many years in the future. As a result, the portion of advances used to purchase depreciable assets is recorded as deferred capital contributions and amortized on the same basis and over the same periods as the tangible capital assets (Note 14). The free rental of a social housing building provided by the Government of Yukon to the Corporation is recorded as rental assistance in-kind revenue and offsetting building services in-kind expenses (Note 17 (b)). Advances provided by the Government of Yukon in excess of the operating grant are recorded as a liability of the Corporation (Note 12).

(c) Cash

Cash includes cash on hand and bank balances.

(d) Loans receivable

Mortgages receivable are fully secured and recorded at cost. Based on historical loss experience, management establishes a valuation allowance for impaired loans. Mortgages are classified as impaired when the Corporation no longer has reasonable assurance of timely collection of the full amount of principal and interest due. The valuation allowance adjusts a mortgage's carrying value to the net realizable amount.

Under the Social Housing Agreement signed with Canada Mortgage and Housing Corporation (CMHC) in 1998, the Corporation may be required to subsidize a debtor's repayment of a Rural and Native Housing Home Ownership Program mortgage. These subsidies vary in amount depending on the income of the recipients and are expensed when incurred. CMHC funding provided to the Corporation includes an amount for subsidies.

Under the Home Repair Program, the Corporation may subsidize a debtor's repayment. These subsidies, reviewed annually, are based on the debtor's ability to pay. Each year, the Corporation records an allowance for Home Repair Program subsidies based on loans receiving a subsidy at year end.

Loans with significant concessionary terms are reviewed annually. Each year the Corporation records an allowance based on the present value of the loans at the average borrowing rate.

Loans receivable from lots sold to purchasers for residential, commercial and recreational purposes under land sales agreements, are recorded at the lower of cost or net recoverable value.

(e) Housing held for sale

Housing held for sale includes houses repossessed under the Home Ownership Program and the Rural and Native Housing Home Ownership Program. These houses are recorded at the lower of cost and net realizable value which approximates their fair value at the foreclosure date. Housing held for sale also included properties acquired for future sale. These properties were recorded at the lower of cost and net realizable value.

(f) Tangible capital assets

Tangible capital assets are valued at cost, net of accumulated amortization. Interest on loans during construction of capital assets is capitalized. Assets under construction are not amortized until available for use.

Funding received to acquire tangible capital assets is recorded as a deferred capital contribution. This deferred capital contribution is amortized as a recovery on the same basis as the related asset.

Amortization is calculated using the straight-line method, over the estimated useful lives of assets.

Social housing projects	35 years
Social housing betterment	15 years
Staff housing projects and other facilities:	
Standard construction	35 years
Mobile home units	15 years
Office building	20 years
Other facilities	15 years
Furnishings and equipment	5 to 15 years
Vehicles	6 years
Computer systems	3 years
Leasehold improvements	remaining lease term

(g) Post-employment benefits

Post-employment benefits are expected to be provided to employees of the Corporation after employment but before retirement. These benefits include severance benefits and accumulated sick and vacation leave benefits that are paid in cash when employment is terminated. The Corporation recognizes the obligation for these benefits as a liability and uses an actuary to estimate the amount of the obligation. Expenses related to post-employment benefits are recognized in the period in which the employee's service is rendered and the benefit is earned. The accrued benefit liability for these benefits is calculated as the accrued benefit obligation adjusted by unamortized actuarial gains or losses. Net actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the active employees commencing with the period following the determination of the net actuarial gains or losses.

(h) Retirement benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Corporation's contribution to the Plan reflects the full cost as employer. This amount is currently based on a multiple of the employees' required contributions, and may change over time depending on the experience of the Plan. The Corporation's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the Corporation. The Corporation is not currently required to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

(i) Environmental liabilities

An environmental liability is accrued and an expense recorded when management determines an obligation exists and when a reasonable estimate of the obligation can be made. Environmental liabilities are measured based on the estimated costs required to remediate the related contaminated site.

(j) Revenue recognition

Funding provided by CMHC under the Social Housing Agreement is recognized when the related expenses are incurred.

Funding provided by CMHC under the Affordable Housing Initiative for home repair loans is recognized on a straight-line basis over the life of the related home repair loan agreements. This funding is based on the difference between market rate and the rate given by the Corporation to clients.

Funding provided by CMHC under the Affordable Housing Initiative - economic stimulus funding is recognized when the related expenses are incurred. The portion of this funding used to purchase tangible capital assets are recognized as revenue on the same basis as the related assets are amortized.

Interest income on mortgages is recorded on an accrual basis. When a mortgage becomes impaired, recognition of interest ceases; thereafter, interest income for impaired loans is recognized on a cash basis.

Income from rentals is recorded on an accrual basis.

Recoveries from the Government of Canada for the Flood Relief program are recognized in the year in which the related grant expense claims are paid. Any adjustments upon finalization are reflected in the accounts in the year they are identified.

(k) Expenses

Expenses are recorded on an accrual basis. Transfer payments are recorded as expenses when authorized and recipients have met eligibility criteria.

(l) Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and contingencies. By their nature, these estimates are subject to measurement uncertainty. As adjustments to these estimates become necessary, they are recorded in the financial statements in the year they become known. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant; although, at the time of preparation of these statements, the Corporation believes the estimates and assumptions to be reasonable.

Management estimates include: valuation of loans receivable, valuation of Home Repair Program subsidies, valuation of loans receivable with concessionary terms, valuation of accounts receivable, determination of amortization, valuation of post-employment benefits, and estimation of environmental liabilities and contingencies.

(m) Adoption of new accounting standards

The Public Sector Accounting Board has issued the following new standards which must be adopted by the Corporation in fiscal 2013: PS 1201 - *Financial statement presentation*, PS 2601 - *Foreign currency translation*, PS 3410 - *Government transfers* and PS - 3450 - *Financial Instruments*. The Corporation expects the most significant change that will result from the adoption of these standards is a change to its policy for the recognition of government transfers related to the acquisition of tangible capital assets. Currently, the Corporation defers funding received to acquire tangible capital assets and then amortizes deferred capital contributions as a recovery on the same basis as the related asset. In 2013, in accordance with the new PS 3410, the Corporation intends to recognize funding received to acquire tangible capital assets when it is spent in accordance with the specified stipulations. This change will result in the elimination of deferred capital contributions, will be applied retroactively, and will have a material impact on non-financial assets and accumulated surplus reported in the Statement of Financial Position.

3. Cash

	2012	2011
Cash	(thousands of dollars)	
Bank balances	$ 4,432	$ 21,933
Cash on hand	3	3
	$ 4,435	$ 21,936

The Corporation has an overdraft facility with its banker of up to $11,000,000 at bank prime less 0.25%. At year end, the bank prime rate was 3.00% (2011 - 3.00%). The overdraft is guaranteed by the Government of Yukon. This facility was not used as at March 31, 2012.

As at year end, $2.7 million of bank balances has been designated to be used for projects benefitting seniors (Note 8).

4. Accounts receivable

	2012	2011
	(thousands of dollars)	
Accounts receivables	$ 1,454	$ 1,849
Less valuation allowances	(537)	(432)
	$ 917	$ 1,417

5. Loans receivable

	Stated % interest rates	2012	2011
		(thousands of dollars)	
Mortgages receivable			
Home Ownership	0.00 - 7.00	$ 22,818	$ 23,791
Loans with terms up to five years, secured by registered charges against real property, repayable in blended weekly, bi-weekly or monthly payments at fixed rates of interest and with maturities up to 2017. Rural and Native Home Ownership mortgages receiving subsidies (Note 2(d)) at March 31, 2012 were $329,000 (2011 - $447,000).			
Owner Build	1.25 - 5.92	3,801	3,894
Loans are advanced during the construction phase of a home for a maximum period of two years. During the first six months of the construction period, loans are provided at the interest rate of 0%, with gradual increases, reaching to a market rate in the last six months. Repayment terms are up to five years, secured by registered charges against real property with maturities up to 2017.			

	Stated % interest rates	2012	2011
		(thousands of dollars)	
Repair and Upgrade	0.00 - 5.75	7,024	8,227
Loans with terms up to 12 years, secured by registered charges against real property or chattel mortgages, repayable in blended weekly, bi-weekly or monthly payments at fixed rates of interest with maturities up to 2024. Mortgages receiving subsidies (Note 2 (d)) and forgiveness at March 31, 2012 were $220,000 (2011 - $324,000).			
Energy Management	0.00	75	115
Loans with terms up to ten years, secured by registered charges against real property or chattel mortgages, repayable in periodic instalments without interest with maturities up to 2020.			
Housing Industry Loans	0.00 - 5.75	1,593	2,166
Loans with terms up to 20 years, secured by registered charges against real property or general security agreements, repayable in blended bi-weekly or monthly payments at fixed rates of interest with maturities up to 2023. The balance includes Joint Venture loans of $589,000 (2011 - $1,392,000).			
Subtotal mortgages receivable		35,311	38,193
Less: allowance for Home Repair Program subsidies		(215)	(292)
Less: allowance for loans receivable with concessionary terms		(276)	(365)
Less: allowance for impaired loans		(98)	(100)
The allowance for impaired loans relates primarily to the Home Ownership Program and Housing Industry Loans. The net recovery to income was $2,000 (2011 - $141,000).			
Net mortgages receivable		34,722	37,436
Land sales agreements receivable	3.00 - 7.25	7,903	10,552
Loans on residential, commercial and recreational lots, secured by retention of the land title certificate, repayable in blended annual payments at fixed rates of interest with maturities up to 2017.			
Total loans receivable		$ 42,625	$ 47,988

These loans receivable earn interest at the following weighted average rates:

	2012	2011
Mortgages receivable	3.36%	3.74%
Land sales agreements receivable	5.02%	5.05%

6. Environmental liability

In fall 2010, it was confirmed that approximately 20,000 litres of fuel oil spilled under two Yukon Housing Corporation properties in Dawson City. The remediation plan and projected future costs were prepared by independent consultants, and the remediation procedures along with the necessary upgrades to the land treatment facility started in the summer of 2011. Projected future expenditures over the next 6 years total $1,031,000 (2011 - $1,250,000 over 7 years). It is estimated that the site should be available for use within 1 year.

Projected future expenditures for fuel oil spills in Old Crow and Watson Lake are nil (2011 - $50,000)

Changes in the environmental liability are as follows:

	2012	2011
	(thousands of dollars)	
Balance at beginning of year	$ 1,300	$ -
Fuel oil spills estimated future expenditures	-	1,300
Actual expenditures in fiscal relating to fuel oil spills	(269)	-
Balance at end of year	$ 1,031	$ 1,300

7. Economic stimulus funding

On May 22, 2009, the Corporation entered into an agreement with CMHC to access funding for Economic Stimulus measures under Canada's Economic Action Plan through the Affordable Housing Initiative. Under this agreement, CMHC agreed to contribute up to $51.29 million in economic stimulus funding for project commitments made by the Corporation from January 27, 2009 to March 31, 2011 with construction to be completed by November 30, 2012.

In 2012, the Corporation did not receive any new economic stimulus funding from CMHC (2011 - $25.66 million). Of the total funding received, $1.32 million was expended in 2011 and 2010 by the Government of Yukon's Department of Health and Social Services to fund the renovation of an existing Children's Receiving Home and the construction of a new Children's Receiving Home.

In 2010, the Corporation received $300,000 in funding under Phase II of the Affordable Housing Initiative. This funding was deferred and included in Deferred revenues - other as of March 31, 2010. In 2012, the Corporation committed the Phase II funding to the Waterfront Place seniors facility. However, the costs to which the funding was committed were incurred in 2011, resulting in a recovery and a decrease in Deferred revenues- economic stimulus funding as of March 31, 2011. When the Phase II funds were committed in 2012, it resulted in a decrease to Deferred revenues - other and an increase to Deferred revenues - economic stimulus funding of $300,000.

The following projects had received CMHC funding commitments as at year end:

	2012 (thousands of dollars)				
Project	Funding Committed and Advanced	Non-capitalized expenditures	Tangible Capital Asset Acquisitions (Note 14)	Deferred Revenue at end of year	Construction In Progress (Note 13)
Renovation of existing social housing	$ (132)	$ (966)	$ 73	$ 11	$ -
Ingram subdivision townhouses	96	(1)	(57)	-	-
Riverdale apartments	148	(57)	(172)	14	-
Watson Lake seniors facility	(72)	(7)	335	20	-
Faro seniors facility	179	(5)	-	15	-
Teslin seniors facility	232	(4)	(225)	15	-
Waterfront Place seniors facility	723	(20)	283	-	-
Takhini North duplexes	177	(10)	(1,801)	-	-
Dawson Apartments	39	(51)	(41)	14	-
Whitehorse Abbeyfield	(360)	30	-	-	-
Other	(730)	-	(3,237)	784	3,228
	$ 300	$ (1,091)	$ (4,842)	$ 873	$ 3,228
	2011 (thousands of dollars)				
Renovation of existing social housing	$ 3,320	$ (2,173)	$ (1,060)	$ 1,036	$ -
Ingram subdivision townhouses	-	(20)	(1,547)	(38)	-
Riverdale apartments	600	(103)	(3,014)	95	-
Watson Lake seniors facility	350	(64)	(1,675)	(236)	4,585
Faro seniors facility	-	(29)	(542)	(159)	-
Teslin seniors facility	400	(34)	(1,020)	12	2,604
Waterfront Place seniors facility	10,800	-	(11,786)	(986)	10,386
Takhini North duplexes	2,200	-	(566)	1,634	64
Dawson Apartments	6,000	-	(5,837)	67	5,920
Whitehorse Abbeyfield	180	-	-	330	225
Other	1,831	-	-	4,751	5
Government of Yukon - Department of Health and Social Services	(21)	(227)	-	-	-
	$ 25,660	$ (2,650)	$ (27,047)	$ 6,506	$ 23,789

For any projects with higher costs than amounts committed the Corporation is allowed to adjust the record of commitment with CMHC to reflect actual eligible project costs.

8. Seniors' Housing Management Fund

The Seniors' Housing Management Fund (SHMF) was established under Section 9 of the *Housing Corporation Act* to provide for the future housing needs of Yukon's seniors. The Government of Yukon approved the establishment of the Fund in October 2000.

Until 2010, the Fund received Government of Yukon funding through an annual appropriation, an appropriation equal to interest revenue generated by the Corporation's Green Mortgage Program and interest revenue earned on monies held for the Fund. In May 2009, the Government of Yukon directed the Corporation to use the SHMF to make up any shortfall between the economic stimulus funding from Canada and the actual costs for projects benefiting seniors. Where no shortfall exists, SHMF funds are not required to be used and may be used for other projects benefiting seniors, subject to Management Board approval of those projects.

Changes in the Seniors' Housing Management Fund are as follows:

	2012	2011
	(thousands of dollars)	
Balance at beginning of year	$ 3,404	$ 3,609
Funding for seniors buildings - capitalized portion (Note 14)	(660)	-
Funding for seniors buildings - non-capitalized portion	(61)	(205)
Balance at end of year	$ 2,683	$ 3,404

9. Long-term debt

	Stated % interest rates	2012	2011
		(thousands of dollars)	
Mortgages payable to chartered banks and CMHC (guaranteed by the Government of Yukon)	2.65 - 12.50	$ 10,720	$ 12,192
Loans with a variety of terms, secured by fixed charges against housing projects, repayable in blended monthly payments at fixed rates of interest and with maturities up to 2029.			
CMHC loans (guaranteed by the Government of Yukon)	5.00 - 13.25	2,390	2,623
Loans repayable in blended annual payments at fixed rates of interest to maturity and with maturities up to 2028.			
Loans payable - Government of Yukon	0.00	12,816	13,435
Repayable without interest in periodic instalments to 2027. The balance includes a loan of $274,004 (2011 - $427,004) secured by the Corporation's head office building. (Schedule B)			
Land sales agreements due to Government of Yukon	0.00	8,229	10,746
Repayable without interest in periodic instalments to 2017.			
Total long-term debt		$ 34,155	$ 38,996

The mortgages and loans payable bear interest at the following weighted average interest rates:

	2012	2011
Mortgages payable to chartered banks	5.05%	5.50%
CMHC loans	8.46%	8.52%

Principal repayments required over the next five years are as follows:

	CMHC Loans	Mortgages	Government of Yukon Loans	Land Sales Agreements	Total
			(thousands of dollars)		
2013	$ 168	$ 1,545	$ 619	$ 1,403	$ 3,735
2014	178	1,597	587	990	3,352
2015	161	1,636	466	4,611	6,874
2016	148	1,535	466	802	2,951
2017	153	711	466	423	1,753
Thereafter	1,582	3,696	10,212	-	15,490
Total	2,390	10,720	12,816	8,229	34,155

At March 31, 2012, the Corporation owed the Government of Yukon a Land Sales Agreements principal payment of $404,000 (2011 - $195,000) for principal amounts collected during the year. The amount was subsequently paid to the Government of Yukon on June 5, 2012.

10. Post-employment benefits

The Corporation provides post-employment benefits to its employees based on years of service and salary. These benefits consist of severance benefits and unused sick and vacation leave.

The actuarial obligation for sick and vacation leave and severance benefits is calculated using the projected benefit method prorated on service. Post-employment benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation. Benefits will be paid from future appropriations or other sources of revenue.

The results measured at March 31 are summarized as follows:

	2012	2011
	(thousands of dollars)	
Accrued benefit liability, beginning of year	$ 1,526	$ 1,331
Add: Current service costs	123	120
Interest on accrued benefit liability	96	76
Contributions made by the Corporation	7	16
Less: Benefits paid during the year	(7)	(16)
Amortization of net actuarial gains	14	(1)
Accrued benefit liability, end of year	$ 1,759	$ 1,526
Unamortized net actuarial loss	136	150
Accrued benefit obligation, end of year	$ 1,895	$ 1,676

The significant actuarial assumptions were:

	2012	2011
Discount rate	5.33%	5.33%
Salary escalation rate (per annum)	2.25%	2.25%
Expected average remaining service life of active employees	10.8 years	10.8 years

The most recent actuarial valuation made for these post-employment benefits was as of April 1, 2010. The next required valuation would be as of April 1, 2013.

11. Retirement benefits

Substantially all of the employees of the Corporation are covered by the Public Service Pension Plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation. Contributions during the year were as follows:

	2012	2011
	(thousands of dollars)	
Employer's contribution	$ 641	$ 662
Employees' contribution	333	353

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of two percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada Pension Plan benefits and they are indexed to inflation.

12. Advances - Government of Yukon

Advances from the Government of Yukon represent a series of working capital advances by the Government of Yukon to the Corporation. These advances are without interest and have no repayment terms.

	2012	2011
	(thousands of dollars)	
Balance at beginning of year	$ 11,684	$ 11,125
Transfer payment from Government of Yukon	5,714	7,297
Operating grant	(3,378)	(5,774)
Funding used to purchase tangible capital assets (Note 14)	(1,363)	(964)
	973	559
Balance at end of year	$ 12,657	$ 11,684

13. Tangible capital assets

			2012	2011
			(thousands of dollars)	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 3,920	$ -	3,920	$ 3,904
Social housing	79,719	28,846	50,873	47,786
Staff housing	15,765	8,547	7,218	6,943
Office building	1,923	1,157	766	827
Other facilities	796	784	12	16
Furnishings and equipment	1,591	314	1,277	959
Computer systems	199	199	-	-
(Schedule B)	$ 103,913	$ 39,847	$ 64,066	$ 60,435

At March 31, 2012, there were construction projects in progress in the amount of $3,228,000 (2011 - $23,789,000) (Note 7). There was no interest incurred for the construction of tangible capital assets in the current year or previous year.

The Corporation purchases insurance for the office building and all social and staff housing units that are quadruplexes and larger. This accounts for 249 out of 793 units in use (2011 - 249 out of 754) with a net book value of $8,117,000 (2011 - $8,829,000).

14. Deferred capital contributions

Deferred capital contributions represent the unamortized portion of Government of Yukon and CMHC contributions used to purchase tangible capital assets.

Changes in the deferred capital contributions balance are as follows:

	2012	2011
	(thousands of dollars)	
Balance at beginning of year	$ 49,409	$ 22,826
Add: Funding used to acquire tangible capital assets		
CMHC - economic stimulus funding (Note 7)	4,842	27,047
Government of Yukon (Note 12)	1,363	964
Senior Housing Management Fund (Note 8)	660	-
Less: Amortization of deferred capital contributions related to tangible capital assets	(2,107)	(1,410)
Reduction due to impairment of related tangible capital assets	(225)	(18)
Balance at end of year	$ 53,942	$ 49,409

15. Expenses by object

	2012	2011
	(thousands of dollars)	
Materials, supplies and utilities	$ 6,916	$ 6,543
Personnel	6,223	6,739
Amortization expenses	2,997	2,392
Other	1,355	1,254
Contract and special services	942	2,935
Interest on long-term debt	788	1,162
Transfer payments	716	1,493
Communication and transportation	318	336
	$ 20,255	$ 22,854

16. Financial instruments

The balances in Cash, Due from Canada Mortgage and Housing Corporation, Accounts receivable, Accounts payable and accrued liabilities and Due to Government of Yukon are non-interest bearing and have fair values that approximate their carrying amount due to their short term to maturity.

Fair value information is not disclosed for Advances - Government of Yukon (Note 12) because it arose as a result of related party transactions, bears no interest, and has no repayment terms. There is no active market for such instruments.

The fair values of the Corporation's loans receivable and long-term debt were based on management's best estimates and were determined using the present value of future cash flows discounted at the March 31, 2012 estimated market rate for mortgages and loans with similar maturities.

The carrying amount and estimated fair values of loans receivable and long term debt are as follows:

	2012		2011	
	(thousands of dollars)			
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Loans receivable				
Mortgages receivable net of allowances	$ 34,722	$ 30,511	$ 37,436	$ 33,907
Land sales agreements receivable	7,903	8,392	10,552	10,899
	$ 42,625	$ 38,903	$ 47,988	$ 44,806
Long-term debt				
Mortgages payable	$ 10,720	$ 11,051	$ 12,192	$ 12,309
CMHC loans	2,390	2,691	2,623	2,993
Loans payable - Government of Yukon	12,816	6,532	13,435	6,731
Land sales agreements due to Government of Yukon	8,229	7,164	10,746	9,322
	$ 34,155	$ 27,438	$ 38,996	$ 31,355

These financial instruments do not have active markets.

Until settled, the fair value of loans receivable and long-term debt will fluctuate with changes in interest rates. Management believes the carrying amount of loans receivable will be fully recovered.

17. Related party transactions and balances

The Corporation is related in terms of common ownership to all Government of Yukon departments, corporations and agencies. In addition to those related party transactions disclosed elsewhere in these financial statements (Note 9 & 12), the Corporation enters into transactions with related entities in the normal course of business.

(a) Shared services costs

Under the Corporate Services arrangement, which consolidates functions such as finance, systems and administration, policy and communications and human resources services, the Corporation provides corporate services to Yukon Liquor Corporation. During 2012, the Corporation incurred total corporate service costs of $3,057,000 (2011 - $2,874,000). The amount charged by the Corporation to Yukon Liquor Corporation for corporate services for the year was $975,000 (2011 - $914,000). Of the amount charged to Yukon Liquor Corporation, $225,000 (2011 - $914,000) was receivable at year end.

(b) Other transactions

The value of administrative services provided without charge by the Government of Yukon to the Corporation is estimated in 2012 to be $23,000 (2011 - $17,000). This amount has been included in the Statement of Operations under Other revenues and Administration expenses. The value of territorial agent services provided without charge by the Corporation to the Government of Yukon for 2012 is estimated to be $44,000 (2011 - $43,000). This amount has been included in the Statement of Operations under Administration expenses.

The employees of the Corporation are paid by the Government of Yukon. The Corporation reimbursed the Government for salaries and benefits expenses paid of $6,662,000 during 2012 (2011 - $6,566,000).

In 2008, the Corporation entered into an agreement with Government of Yukon for the care and maintenance of the new 48 unit seniors' social housing constructed as part of the Athletes' Village in Whitehorse. The Corporation has assumed responsibility for the facilities operation and maintenance costs. The value of services provided without charge, relating to the use of this building by the Corporation, is estimated in 2012 to be $502,000 (2011 - $502,000) based on the Government of Yukon's amortization expense.

During 2012, the Corporation was charged $740,000 (2011 - $676,000) by the Government for information technology support services, office rental, office supplies, computer software licensing, vehicle rental services and insurance.

During 2011, the Government of Yukon Department of Highways and Public Works managed and completed the construction of the Waterfront Place seniors facility with construction costs of $10,386,000 and the Dawson apartments with construction costs of $5,920,000 on behalf of the Corporation. Total administration costs for the two projects were $39,000. At March 31, 2011, there was an amount payable of $16,938,000 that was included in Due to Government of Yukon; this amount was repaid in 2012.

In 2011, the Corporation agreed to purchase an Ingram subdivision lot from the Government of Yukon for $276,000. At March 31, 2011, there was an amount payable of $138,000 that was included in Due to Government of Yukon; this amount was repaid in 2012.

(c) Due to Government of Yukon

	2012	2011
	(thousands of dollars)	
Advance received in excess of transfer payment	$ 1,470	$ -
Accounts payable	1,039	18,051
Accounts receivable	(48)	(418)
Amount due from Community Services - Disaster Financial Assistance	(1,644)	(1,644)
Net amount Due to Government of Yukon	$ 817	$ 15,989

18. Contractual obligations and contingencies

	2012	2011
	(thousands of dollars)	
Outstanding contractual obligations to complete the funding of mortgages receivable as at end of year.	$ 2,603	$ 1,704
Outstanding contractual obligations to complete committed contracts as at end of year.	1,557	1,062
Subsidies to private social housing organizations	388	378

Pursuant to an agreement signed with CMHC in 1998, the Corporation is liable for a mortgage payable by the Whitehorse Housing Co-operative Association Limited (the Co-operative) in the event of a default. The amount of the mortgage payable as at March 31, 2012 was $987,000 (2011 - $1,034,000). Management believes that the Corporation would be able to repay the mortgage in full through the sale of the Co-operative's assets (against which the mortgage is made) in the event of a default.

In the normal course of operations, the Corporation is subject to legal claims and possible claims. No provision for any claim is included in these financial statements, because all legal claims or possible claims are either insignificant or considered unlikely to suceed.

19. Bad debts write-offs

Section 14(4) of the *Financial Administration Act* of the Yukon requires accounts written off during the fiscal year to be reported in the Public Accounts of the Yukon. Bad debts written off during the current year and past four years are as follows:

Year	Amount
2012	$ -
2011	21,383
2010	-
2009	5,287
2008	11,626

20. Subsequent event

In June 2012, homes on the Upper Liard River were damaged due to flooding. The Corporation estimates it could issue up to $3,460,000 in flood grants related to this flood in fiscal 2013. The Corporation estimates that $2,160,000 could be recoverable under Federal Disaster Financial Assistance Arrangements in fiscal 2013.

21. Comparative figures

Certain comparative figures for 2011 have been reclassified to conform with the 2012 presentation.

Yukon Housing Corporation

Yukon Housing Corporation
Schedule of Program Costs, Corporate Services Costs and Administration Expenses
for the year ended March 31, 2012 — Schedule A

	2012	2011
	(thousands of dollars)	
Program costs		
Housing operations		
General maintenance	$ 3,273	$ 4,777
Personnel	3,190	3,126
Amortization	2,794	2,191
Utilities	2,255	1,810
Property taxes	806	655
Subsidies - private social housing organizations	674	833
Building services - in-kind (Note 17(b))	502	502
Property rentals	392	420
Garbage collection and janitorial	248	264
Direct lending program administration	157	11
Insurance	146	146
Bad debts - housing operations including rental tenants	99	33
Housing program administration	18	31
Contributions - Government of Yukon Department of Health and Social Services	-	227
	14,554	15,026
Other		
Loans receivable with concessionary terms allowance expense	-	365
Home repair mortgage allowance for repayment of subsidies expense	-	80
Write-down of tangible capital assets	225	24
Gain on sale of housing held for sale	-	(2)
	225	467
	$ 14,779	$ 15,493

Yukon Housing Corporation

Yukon Housing Corporation
Schedule of Program Costs, Corporate Services Costs and Administration Expenses
for the year ended March 31, 2012 Schedule A

	2012	2011
	(thousands of dollars)	
Corporate services costs (Note 17 (a))		
Personnel	$ 2,542	$ 2,309
Information technology systems and support	274	314
Professional fees	241	251
	$ 3,057	$ 2,874
Administration expenses		
Personnel	$ 490	$ 416
Rentals - office and equipment	359	267
Amortization	204	201
Communications	182	147
Travel and transportation	132	179
Office and sundry	108	122
Professional fees	50	37
Program promotion	37	31
Boards and committees	25	29
	$ 1,587	$ 1,429

Yukon Housing Corporation
Schedule of Tangible Capital Assets
for the year ended March 31, 2012

Schedule B

	Land	Social Housing	Staff Housing	Office Building	Other Facilities	Furnishings and Equipment	Computer Systems	2012 Total	2011 Total
				(thousands of dollars)					
Cost of tangible capital assets, opening [1]	$ 3,904	$ 75,008	$ 15,108	$ 1,893	$ 796	$ 1,160	$ 199	$ 98,068	$ 70,070
Acquisitions [1]	27	5,647	730	30	-	431	-	6,865	28,011
Write-downs	-	(225)	-	-	-	-	-	(225)	(24)
Disposals	(11)	(711)	(73)	-	-	-	-	(795)	11
Cost of tangible capital assets, closing[1]	3,920	79,719	15,765	1,923	796	1,591	199	103,913	98,068
Accumulated amortization, opening	-	27,222	8,165	1,066	780	201	199	37,633	35,230
Amortization	-	2,335	455	91	4	113		2,998	2,392
Disposals	-	(711)	(73)	-	-	-	-	(784)	11
Accumulated amortization, closing	-	28,846	8,547	1,157	784	314	199	39,847	37,633
Net book value[1]	**$ 3,920**	**$ 50,873**	**$ 7,218**	**$ 766**	**$ 12**	**$ 1,277**	**$ -**	**$ 64,066**	**$ 60,435**
Construction in progress	$ -	$ 3,228	$ -	$ -	$ -	$ -	$ -	$ 3,228	$ 23,789

[1] Includes construction in progress

YUKON
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CORPORATION